

1911¹⁵
PLEASE RETURN TO
Hart Schaffner & Marx
STATISTICAL
DEPARTMENT

Annual Report

December 31, 1911

Hart, Schaffner & Marx

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Incorporated under New York laws May 10, 1911, succeeding the former firm of Hart, Schaffner & Marx organized in 1887. Purchased assets of Wallach Bros. men's clothing and furnishing chain in March 1935. In 1952 company acquired Hastings Clothing Company with stores in San Francisco and Oakland. On Aug. 23, 1955, stockholders of Society Brand Clothes, Inc. (later Industrial Development Corporation) approved proposals to sell clothing business to Hart, Schaffner & Marx.

See also: Industrial Development Corporation

Hart Schaffner & Marx

Chicago

New York

New York, January 22, 1912.

To the Stockholders:

The Board of Directors submit herewith a Balance Sheet showing the condition of the corporation together with the Profit and Loss Statement for the period ending December 31, 1911.

The first year of the existence of the company shows a most satisfactory volume of business, the gross sales amounting to \$15,012,847.36.

In view of the unusual and extraordinary conditions which have prevailed during the past year due to the garment workers' strike in Chicago, a positive basis for the settlement of which was only reached with the signing of an arbitration agreement on March 13, 1911, the net profits of the company necessarily show a reduction.

The direct cost and losses of the strike up to November 26, 1910, under the contract of purchase were borne by the old co-partnership. But exclusive of these direct losses, the indirect losses have been very large and these are borne by the new company.

The strike also caused the 1911 spring deliveries to fall short of orders by about \$1,000,000.

This is the only strike Hart Schaffner & Marx have had since 1896, and we feel that our labor conditions have now been adjusted, due to the present workings of an arbitration agreement and the establishment of a permanent labor department with a trained economist at its head thus enabling all employes' complaints to be promptly handled.

The financial affairs of the company are in splendid condition and there is no indebtedness except for current bills.

Respectfully submitted,

HARRY HART, *President.*

Hart Schaffner & Marx

Balance Sheet, December 31, 1911

Assets

GOODWILL, TRADE NAMES AND TRADE MARKS		\$15,000,000.00
MACHINERY, FURNITURE AND FIXTURES		324,947.91
CURRENT ASSETS:		
Inventories of Manufactured Goods, Work in Process and Materials on Hand (at or below cost)	\$2,828,057.91	
Accounts and Bills Receivable	1,811,150.94	
Cash in Banks and on Hand	673,807.69	
		5,313,016.54
DEFERRED CHARGES TO PROFIT AND LOSS		95,365.80
		<u>\$20,733,330.25</u>

Liabilities

CAPITAL LIABILITIES:		
Preferred Stock—		
Authorized and Issued 50,000 shares, \$100 each	\$5,000,000.00	
Less 500 shares in Treasury, purchased for cancellation	50,000.00	
	<u>\$4,950,000.00</u>	
Common Stock—		
Authorized and Issued 150,000 shares, \$100 each	15,000,000.00	\$19,950,000.00
CURRENT LIABILITIES:		
Accounts Payable	\$337,797.00	
Accrued Salaries and Wages	100,811.32	
Accrued Taxes	46,000.00	
		484,608.32
DUE TO MEMBERS OF OLD FIRM		134,442.78
SURPLUS AND UNDIVIDED PROFITS:		164,279.15
Net Profits and Income for the period ending Dec. 31, 1911, as per Statement of Profit and Loss below	\$430,280.25	
Appropriated as follows:		
Preferred Stock Dividends—		
No. 1, Paid June 30, 1911	\$34,519.17	
No. 2, Paid September 30, 1911	87,500.00	
No. 3, Paid December 31, 1911	87,341.53	
	<u>\$209,360.70</u>	
Organization Expenses written off	55,744.43	
Premiums on Preferred Stock Purchased	805.07	
	<u>266,001.10</u>	
Balance carried forward to Surplus		164,279.15
		<u>\$20,733,330.25</u>

Statement of Profit and Loss

For the period ending December 31, 1911

Gross Sales	<u>\$15,012,847.66</u>	
Net Sales		\$13,334,550.32
Deduct—Cost of Goods Sold, and all Operating, Selling, Administration and General Expenses		12,881,601.05
Net Profits from Operations		<u>\$452,859.27</u>
Add—Interest Income (Net)		6,728.10
Total Profits and Income		<u>\$159,587.37</u>
Deduct—Special Strike Expenses and Expenses resulting from Change of Premises		29,307.12
Net Profits and Income for the Period, carried to Balance Sheet		<u>\$430,280.25</u>